

**Subpart D—Direct and Counter-Cyclical Program Contract Terms and Enrollment Provisions for Covered Commodities 2002 through 2007 and for Peanuts 2003 through 2007**

SOURCE: 67 FR 64751, Oct. 21, 2002, unless otherwise noted.

**§ 1412.401 Direct and counter-cyclical program contract.**

(a)(1) With respect to Fiscal Year 2002 payments, CCC will offer to enter into a contract with eligible producers of covered commodities and historical peanut producers on October 1, 2002 through the date announced by CCC. With respect to Fiscal Years 2003 through 2007, CCC shall offer to annually enter into a contract with an eligible producer on a farm having base acreage with respect to a covered commodity; and for a farm with peanut base acreage and yield assigned in accordance with subpart G of this part, at the beginning of each such fiscal year 2003 through 2007 through the date announced by CCC for each such year.

(2)(i) Eligible producers may execute and submit a contract to the county FSA office where the records for the farm are administratively maintained not later than June 1 of the fiscal year in which the direct and counter-cyclical payments are requested.

(ii) Because CCC will incur additional expenses which may not be possible to quantify with certainty, including the additional cost to ensure payments are issued timely to all producers, a late signup fee in the amount of \$100 per farm will be assessed by CCC for any farm enrolled after June 1 of the fiscal year in which the direct and counter-cyclical payments are requested unless the Deputy Administrator determines a waiver of the late signup fee is appropriate. Enrollment is not allowed after September 30 of the fiscal year in which the direct and counter-cyclical payments are requested.

(3) Eligible producers who elect to enter into a contract with CCC must enroll all base acres on the farm. Enrollment of fewer than all base acres on the farm is not allowed.

(b) Eligible producers may withdraw from a contract at any time on or before September 30 of the year of the contract provided all signatories to the contract, including CCC, agree to the withdraw.

(c) All contracts shall expire on September 30 of the fiscal year of the contract unless:

(1) Withdrawn in accordance with paragraph (b) of this section;

(2) Terminated in accordance with paragraphs (d) or (e) of this section; or

(3) Terminated at an earlier date by mutual consent of all parties, including CCC.

(d) A transfer or change in the interest of a producer in base acres on the farm subject to a contract shall result in the termination of the contract with respect to such interest, and a refund of applicable direct and counter-cyclical payments issued for the farm. The contract termination shall be effective on the date of the transfer or change. Successors-in-interest on a farm subject to a contract may assume all obligations under the contract no later than September 30 of the contract year, and receive payment under the contract only after applicable direct and counter-cyclical payments previously issued to the predecessor for the farm have been refunded to CCC, or a debt for any amount not refunded to CCC has been established for the predecessor.

(e) In the event a farm reconstitution is completed in accordance with part 718 of this title, all producers with an interest in the base acres on the farm must sign a new contract and provide supporting documentation as specified in part 12 of this title, and parts 1400, and 1412 of this chapter not later than September 30 of the fiscal year direct and counter-cyclical payments are requested, after receiving written notification by the county committee indicating the reconstitution is completed. If all producers have not signed the new contract by September 30, no producers on the contract will be eligible for a direct or counter-cyclical payment for that farm for the year the contract was terminated.

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